

AMENDED IN SENATE JUNE 11, 2007

AMENDED IN SENATE MAY 23, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 634

Introduced by Assembly Member Charles Calderon

February 21, 2007

An act to amend Section 23001 of the Financial Code, relating to deferred deposit transactions.

LEGISLATIVE COUNSEL'S DIGEST

AB 634, as amended, Charles Calderon. Deferred deposit transaction licensees.

Existing law, the California Deferred Deposit Transaction Law, prohibits a person from offering, originating, or making a deferred deposit transaction without first obtaining a license from the Commissioner of Corporations. Existing law exempts from the definition of a “licensee” under the California Deferred Deposit Transaction Law a retail seller engaged primarily in the business of selling consumer goods to retail buyers that cashes checks or issues money orders for a minimum fee not exceeding \$2 as a service to its customers that is incidental to its main purpose or business.

This bill would exempt from the definition of a “licensee” a *retail seller selling consumer goods to retail buyers that accepts payment by check for goods or services sold or leased by the retail seller without additional charge*. The bill would also exempt from the definition of a “licensee” a vehicle dealer, as defined, who accepts checks for deferred deposit for the purchase or lease of vehicles.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 23001 of the Financial Code is amended
2 to read:
3 23001. As used in this division, the following terms have the
4 following meanings:
5 (a) “Deferred deposit transaction” means a transaction whereby
6 a person defers depositing a customer’s personal check until a
7 specific date, pursuant to a written agreement, as provided in
8 Section 23035.
9 (b) “Commissioner” means the Commissioner of Corporations.
10 (c) “Department” means the Department of Corporations.
11 (d) “Licensee” means any person who offers, originates, or
12 makes a deferred deposit transaction, who arranges a deferred
13 deposit transaction for a deferred deposit originator, who acts as
14 an agent for a deferred deposit originator, or who assists a deferred
15 deposit originator in the origination of a deferred deposit
16 transaction. However, “licensee” does not include a state or
17 federally chartered bank, thrift, savings association, industrial loan
18 company, or credit union. “Licensee” also does not include a retail
19 seller engaged primarily in the business of selling consumer goods,
20 including consumables, to retail buyers that *accepts payment by*
21 *check for goods or services sold or leased by the retail seller*
22 *without additional charge or that* cashes checks or issues money
23 orders for a minimum fee not exceeding two dollars (\$2) as a
24 service to its customers that is incidental to its main purpose or
25 business. “Licensee” also does not include an employee regularly
26 employed by a licensee at the licensee’s place of business. An
27 employee, when acting under the scope of the employee’s
28 employment, shall be exempt from any other law from which the
29 employee’s employer is exempt. “Licensee” also does not include
30 a dealer, as defined in Section 285 of the Vehicle Code, who in
31 the course of business accepts a check for deferred deposit for the
32 purchase or lease of a vehicle.
33 (e) “Person” means an individual, a corporation, a partnership,
34 a limited liability company, a joint venture, an association, a joint
35 stock company, a trust, an unincorporated organization, a

- 1 government entity, or a political subdivision of a government
- 2 entity.
- 3 (f) “Deferred deposit originator” means a person who offers,
- 4 originates, or makes a deferred deposit transaction.

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